

**General Fund  
Appropriation Adjustment Actions**

Department/Proposal	USE			SOURCE		NET COST		
	Personal Services	Non-Personal/ Equipment	Other	Ending Fund Balance	Total Use		Revenue	Beg Fund Balance
<b>CITY CLERK</b>								
<b>Council District 7 Special Election</b>		\$200,000			\$200,000		\$200,000	
Increases funding for elections in the City Clerk's Office. A special election in September took place to elect a new Council District 7 Council Member.								
<b>TOTAL CITY CLERK</b>		<b>\$200,000</b>			<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>
<b>POLICE</b>								
<b>Increased Fuel Costs</b>		\$605,000			\$605,000		\$605,000	
Provides additional funding for fuel purchases. While an increase from 2004-2005 levels was assumed when developing the 2005-2006 budget, actual figures indicate the estimated increase was insufficient.								
<b>TOTAL POLICE</b>		<b>\$605,000</b>			<b>\$605,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$605,000</b>
<b>TRANSPORTATION</b>								
<b>Increased Fuel Costs</b>		\$175,000			\$175,000		\$175,000	
Provides additional funding for fuel purchases. While an increase from 2004-2005 levels was assumed when developing the 2005-2006 budget, actual figures indicate the estimated increase was insufficient.								
<b>Street Light Operations</b>		\$320,000			\$320,000		\$320,000	
Restores funding that was eliminated in the 2005-2006 Adopted Budget for Street Light Operations. A proposal to selectively turn off 5,500 streetlights in industrial and commercial areas (approximately 10% of the lights in the City) was approved. Delays in implementing this reduction have resulted in these savings not being realized in 2005-2006. While the Department of Transportation works on implementing this reduction, funding is recommended to be restored.								
<b>TOTAL TRANSPORTATION</b>		<b>\$495,000</b>			<b>\$495,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$495,000</b>
<b>FIRE</b>								

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<b>FIRE</b>								
<b>Increased Fuel Costs</b>		\$315,000			\$315,000			\$315,000
Provides additional funding for fuel purchases. While an increase from 2004-2005 levels was assumed when developing the 2005-2006 budget, actual figures indicate the estimated increase was insufficient.								
<b>TOTAL FIRE</b>		<b>\$315,000</b>			<b>\$315,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$315,000</b>
<b>PUBLIC WORKS</b>								
<b>Public Works Compensated Absences</b>	\$70,000				\$70,000			\$70,000
This technical adjustment accounts for compensated absence costs for Public Works General Fund funded employees, which are now paid out of the Public Works Program Support Fund.								
<b>Special Assessment Funding</b>	\$150,000				\$150,000			\$150,000
In 2004-2005, the Public Works Department exceeded its personal services appropriation, in part because funding was not allocated for Special Assessment related activities. This action recognizes special assessment revenue that was received in 2004-2005 for necessary staff-related costs.								
<b>Traffic Signal Review</b>	\$60,000				\$60,000			\$60,000
Provides funding for Public Works Staff to assist the Department of Transportation (DOT) with the Traffic Signal program. DOT staff collects revenues for work associated with this program and a reconciliation will take place on an annual basis to ensure that associated expenditures between the departments will not exceed revenue collections.								
<b>TOTAL PUBLIC WORKS</b>	<b>\$280,000</b>				<b>\$280,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$280,000</b>
<b>PLAN, BLDG AND CODE ENF</b>								
<b>Building Fee Program</b>	\$88,000	\$2,500			\$90,500			\$90,500
Provides funding from the Building Fee Program Reserve to meet development service performance targets and customer service needs in 2005-2006. Adjustments proposed include: one temporary Planner position and related non-personal/equipment.								

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<b>TOTAL PLAN, BLDG AND CODE ENF</b>	<b>\$88,000</b>	<b>\$2,500</b>			<b>\$90,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$90,500</b>
<b>GENERAL SERVICES</b>								
<b>Service Yards Custodial Services</b>		\$137,000			\$137,000			\$137,000
Provides funding for custodial services at the service yards. A review of expenditures reimbursed by the Construction and Conveyance (C&C) Tax Funds was recently completed. It has been determined that the use of C&C funds for performing custodial services at the service yards is no longer eligible.								
<b>TOTAL GENERAL SERVICES</b>		<b>\$137,000</b>			<b>\$137,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,000</b>
<b>PARKS, REC AND NEIGH SVCS</b>								
<b>Happy Hollow: Marketing/Public Outreach Rep</b>	\$93,000				\$93,000	\$93,000		\$0
Recognizes \$93,000 in additional revenues and appropriates corresponding expenditures for a temporary Marketing/Public Outreach Representative that will be funded by Happy Hollow Corporation (HHC). This position will provide marketing, promotions and event services co-sponsored by HHC.								
<b>Increased Fuel Costs</b>		\$155,000			\$155,000			\$155,000
Provides additional funding for fuel purchases. While an increase from 2004-2005 levels was assumed when developing the 2005-2006 budget, actual figures indicate the estimated increase was insufficient.								
<b>TOTAL PARKS, REC AND NEIGH SVCS</b>	<b>\$93,000</b>	<b>\$155,000</b>			<b>\$248,000</b>	<b>\$93,000</b>	<b>\$0</b>	<b>\$155,000</b>
<b>TRANSFERS</b>								

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Department/Proposal	USE			Ending Fund Balance	Total Use	SOURCE	Beg Fund Balance	NET COST
	Personal Services	Non-Personal/ Equipment	Other			Revenue		
TRANSFERS								
Los Lagos Golf Course			\$500,000		\$500,000			\$500,000
Increases the transfer to the Municipal Golf Course Fund. Revenue collections at Los Lagos Golf Course in 2004-2005 ended the year well below budgeted levels. In developing the 2005-2006 budget, it was assumed that revenues would improve. It is now assumed that revenues will continue at a reduced level. In addition, the debt service payment amount for Los Lagos Golf Course in the 2005-2006 Adopted Operating Budget was not calculated correctly and an upward adjustment is required. An additional transfer (up from \$750,000) from the General Fund is now recommended to assure that resources will be adequate to cover debt service requirements.								
Transfer to Community Fac Rev Fund (Hayes)			\$1,600,000		\$1,600,000			\$1,600,000
Establishes a Transfer to the Community Facilities Revenue Fund for Hayes Mansion Debt Service and eliminates the Hayes Mansion Debt Service Earmarked Reserve. An earmarked reserve was included in the 2005-2006 Adopted Budget for possible use if earnings that support the operations of the Hayes Mansion were insufficient to cover its required debt service payments. The Finance Department has requested that these funds be made available in 2005-2006 to subsidize a portion of the debt service payments for the Hayes Mansion.								
Transfer to Gift Trust Fund			\$17,713		\$17,713			\$17,713
Establishes a Transfer to the Gift Trust Fund. In order to reconcile revenues and expenditures and the corresponding fund balance in the Gift Trust Fund, a transfer from the General Fund is necessary.								
Transfer to the Water Utility Fund			\$152,619		\$152,619			\$152,619
Establishes a transfer to the Water Utility Fund. In accordance with revisions to the Municipal Code (approved by the City Council in June 2003), the amount of transfer that can be made to the General Fund from the Water Fund for the annual Rate of Return (in 2005-2006) and Enterprise In-Lieu Fee payments (made in 2004-2005), is limited to a percentage of actual revenues received in 2004-2005. Because the 2004-2005 revenue was less than the budgeted estimate and in compliance with the new limits, reimbursement to the Water Utility Fund from the General Fund is required.								

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<b>TRANSFERS</b>						
<b>Watson Park</b>			\$127,000		\$127,000	\$127,000
Transfers funding of \$127,000 from the General Fund to the Council District 3 Construction and Conveyance Tax (C&C) Fund to reimburse the C&C Fund for expenditures associated with the Watson Park capital project that occurred in 2003-2004. This project is temporarily on hold to evaluate environmental issues identified at that site.						
<b>TOTAL TRANSFERS</b>			<b>\$2,397,332</b>		<b>\$2,397,332</b>	<b>\$0 \$0 \$2,397,332</b>
<b>CONTINGENCY RESERVE</b>						
<b>Contingency Reserve-Elections Commission</b>			\$110,000		\$110,000	\$110,000
Increases the Contingency Reserve to reflect the return of \$110,000 that was transferred from the Contingency Reserve on October 4, 2005 by City Council action for Elections Commission Evaluator and Investigator Services.						
<b>Contingency Reserve-Hurricane Katrina</b>			\$500,000		\$500,000	\$500,000
Increases the Contingency Reserve to reflect the return of \$500,000 that was transferred from the Contingency Reserve on September 20, 2005 by City Council action in support of the Red Cross for Hurricane Katrina efforts.						
<b>TOTAL CONTINGENCY RESERVE</b>			<b>\$610,000</b>		<b>\$610,000</b>	<b>\$0 \$0 \$610,000</b>
<b>EARMARKED RESERVES</b>						
<b>2006-2007 Future Deficit Reserve</b>			\$12,452,518		\$12,452,518	\$12,452,518
Per Council policy, utilizes the net available ending fund balance funds from the 2004-2005 fiscal year to establish a reserve to help address the 2006-2007 Deficit estimated in the 2006-2010 Five-Year Forecast that was released in February 2005.						
<b>Building Fee Program Reserve</b>			(\$90,500)		(\$90,500)	(\$90,500)
Reallocates \$90,500 from the Building's Fee Reserve for a temporary Planner position in the Planning, Building and Code Enforcement Department to meet development services performance targets.						

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<b>EARMARKED RESERVES</b>						
<b>Building Fee Program Reserve Reconciliation</b>			\$1,988,007		\$1,988,007	\$1,988,007
Increases the Building Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess/shortfall in the Building Fee Program. New for this year is the inclusion of interest earnings (\$255,133) on the net earnings for this program.						
<b>Comp General Plan Update Fee Program Reconciliation</b>			(\$22,645)		(\$22,645)	(\$22,645)
Increases the Comprehensive General Plan Update Fee Program Reserve to reflect the policy of recognizing all revenue excess/shortfall (-\$24,440) and provision of interest earnings for this program (\$1,795).						
<b>Comprehensive General Plan Update</b>			\$250,000		\$250,000	\$250,000
Increases the Comprehensive General Plan Update Reserve to capture the savings in the General Fund that were realized due to the hours that other City staff worked on the Evergreen Visioning Project and Coyote Valley Specific Plan. These project efforts were 100% reimbursed by property owners. These savings can then be applied to the Update effort that is expected to begin in 2006-2007, which is not completely funded.						
<b>Enhanced Parks Maintenance Reserve</b>			\$1,653,717		\$1,653,717	\$1,653,717
Reserves additional funding that was received from Construction and Conveyance (C&C) Tax Funds - Parks due to higher than anticipated collections in the 2004-2005 fiscal year. By Council policy, 15% of Parks C&C collections are transferred annually to the General Fund for parks maintenance.						
<b>Fire Fee Program Reserve Reconciliation</b>			\$784,512		\$784,512	\$784,512
Increases the Fire Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess/shortfall in the Fire Fee Program. New for this year is the inclusion of interest earnings (\$17,085) on the net earnings for this program.						

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<b>EARMARKED RESERVES</b>						
<b>Fuel Usage Earmarked Reserve</b>			(\$250,000)		(\$250,000)	(\$250,000)
Eliminates the Fuel Usage earmarked reserve and reallocates funds for distribution to departments that are high users of gasoline (Police, Fire, Transportation and Parks, Recreation and Neighborhood Services Departments). An earmarked reserve was included in the 2005-2006 Adopted Budget for possible use if gasoline costs continued to increase. Due to the continued volatility in the price of fuel, additional funding is required by departments.						
<b>Hayes Mansion Debt Service Payments</b>			(\$1,600,000)		(\$1,600,000)	(\$1,600,000)
Eliminates the Hayes Mansion Debt Service earmarked reserve and reallocates these funds to a Transfer to the Community Facilities Revenue Fund. An earmarked reserve was included in the 2005-2006 Adopted Budget for possible use if earnings that support the operations of the Hayes Mansion were insufficient to cover its required debt service payments. The Finance Department has requested that these funds be made available in 2005-2006 to subsidize a portion of the debt service payments for the Hayes Mansion.						
<b>Planning Fee Program Reserve Reconciliation</b>			\$16,410		\$16,410	\$16,410
Increases the Planning Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess/shortfall in the Planning Fee Program. New for this year is the inclusion of interest earnings (\$30,912) on the net earnings for this program.						
<b>Public Works Fee Program Reserve Reconciliation</b>			(\$316,883)		(\$316,883)	(\$316,883)
Increases the Public Works Fee Program Reserve to reflect the policy of preserving all expenditure savings and/or revenue excess/shortfall in the Public Works Fee Program. New for this year is the inclusion of interest earnings (\$37,053) on the net earnings for this program.						
<b>TOTAL EARMARKED RESERVES</b>			<b>\$14,865,136</b>		<b>\$14,865,136</b>	<b>\$0 \$0 \$14,865,136</b>
<b>CAPITAL CONTRIBUTIONS</b>						

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CAPITAL CONTRIBUTIONS								
Convention Center Marquee			\$400,000		\$400,000		\$400,000	
Establishes funding to retrofit/replace the reader board at the Convention Center. Currently, the reader board that displays information to promote upcoming convention activities in front of the McEnery Convention Center is not operational. These funds will provide for the replacement of this infrastructure.								
Montgomery Theater Lighting			\$24,000		\$24,000		\$24,000	
Establishes funding for replacement of theatrical lights at the Montgomery Theater. Theatrical lights were stolen prior to the management of the facility by Team San Jose. As a result, Team San Jose has been renting lights for users at a cost of \$1,500 to \$2,000 per event.								
Watson Site Clean-Up and Restoration			\$800,000		\$800,000		\$800,000	
Provides funding for testing and evaluation of the Watson Site. With this increase, the Master Agreement for Environmental Consultant Services that was approved by the City Council on August 9, 2005 will be fully funded along with an allocation for staff costs. The Construction and Conveyance Tax Central Fund would no longer be a source of funding for this project.								
Watson Site Planning and Remediation Contingency			\$2,000,000		\$2,000,000		\$2,000,000	
Sets aside funding for site planning, design and potential remediation efforts that may be necessary after the comprehensive analysis of this site is completed. Staff is working with a consultant to complete a full waste characterization study to establish what further site investigations and remedial actions may be required. This allocation will ensure that funding is available to quickly address needs that are identified.								
TOTAL CAPITAL CONTRIBUTIONS			\$3,224,000		\$3,224,000	\$0	\$0	\$3,224,000
CITY-WIDE EXPENSES								
Convention Center Oversight			\$82,085		\$82,085			\$82,085
Establishes funding for oversight of the Convention and Cultural Facilities' operator, Team San José. This adjustment corrects an error in the 2005-2006 Adopted Budget.								



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CITY-WIDE EXPENSES								
Elections Commission			\$40,000		\$40,000			\$40,000
Increases funding for the Elections Commission Investigation (\$40,000). It is anticipated that the use of an investigator to assist the Evaluator with investigations would lower the costs of investigating complaints filed with the Commission.								
General Liability Claims			\$1,150,000		\$1,150,000			\$1,150,000
Provides additional funding for payment of general liability claims. This one-time action will increase the General Liability Claims to offset a large settlement paid earlier this year.								
ICMA Grant			\$5,000		\$5,000	\$5,000		\$0
Establishes a City-Wide appropriation for an ICMA grant that was received by the City Manager's Office.								
SJ LEARNS Grants			\$948,478		\$948,478	\$948,478		\$0
Budgets grant funding from California's After School Education and Safety Program (ASES) in Parks, Recreation and Neighborhood Services Department for the City of San Jose's after school programs. Revenue from prior years has been received in excess of the actual expenditure level thus the funds will need to be spent this year or be returned to the State.								
San José Stage Company			\$1,009		\$1,009			\$1,009
Recommends a technical adjustment to increase the allocation for the San José Stage Company. This corrects an error in the 2005-2006 Adopted Operating Budget and appropriates the correct funding for the San José Stage Company contract.								
Science Program for Alum Rock Youth Center			\$12,500		\$12,500	\$12,500		\$0
Provides funding to support the after school science program at the Alum Rock Youth Center.								

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CITY-WIDE EXPENSES								
Senior Home Loan Assistance Program			\$750,000		\$750,000			\$750,000
Increases the allocation for the Senior Home Loan Assistance Program to provide resources for loans likely to be necessary later this year. The funding is recommended to be provided by the rebudget of the proceeds from three senior staff loans which were repaid during 2004-2005.								
TOTAL CITY-WIDE EXPENSES			\$2,989,072		\$2,989,072	\$965,978	\$0	\$2,023,094
Total General Fund Adjustment Actions	\$461,000	\$1,909,500	\$24,085,540		\$26,456,040	\$1,058,978		\$25,397,062